

DD/A Registry
74-1561

1 MAY 1979

DD/A Registry
File *Buildings & Grounds-10*

MEMORANDUM FOR: Deputy Director for Administration

FROM: James H. McDonald
Director of Logistics

SUBJECT: Recommended Price Increases for Items
Served by the Executive Dining Room

1. Action Requested: This memorandum contains a recommendation for your approval of an increase in the prices of food and beverages served in the Director's Dining Room and Executive Dining Room (EDR) effective 1 June 1979.

2. Background: It has long been basic policy that prices in the EDR will be at least as high as, and generally slightly higher than, prices for comparable items served in the GSI cafeteria located at Headquarters building. While we do not recover the cost of salaries for normal functions, it has also been the policy to recover direct costs and to provide funds from the EDR to cover replacement equipment, furniture, and utensils. Due to recent price increases for food served in the GSI cafeteria and inflationary increases in the cost of food served in the EDR, some prices are now below GSI levels and a shortfall exists in covering direct costs.

A comparison of prices for like items served in the cafeteria and the EDR reflects some disparity in prices and the need for increasing certain items. Attachment 1 lists these items and associated prices. The direct costs for food served in the EDR have risen about 19 percent during the period from February 1978 to February 1979. Attachment 2 provides a listing for major items based on the per pound price at the start and end of the period. These increases are further reflected in the small loss suffered in FY 78 and the anticipated loss for FY 79 if no increase is charged. While the EDR account is sound as a result of reserve funds from past activity, current losses must be corrected to maintain coverage of direct costs.

OL 9-1742

74-1561

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To establish appropriate price levels to maintain comparable prices with GSI and to cover direct costs, it is proposed to:

- a. Increase EDR prices for like and similar items served in the GSI cafeteria by 15 percent or to a level that equals or exceeds GSI prices, whichever is greater.
- b. Increase the cost of entrees and other menu items not covered in (a) above by 15 percent.
- c. Increase the cost of catering cocktail parties from \$5.00 to \$6.00 per person to offset increased food cost and higher overtime labor rates.

Based on the above, a summary of current and proposed prices is shown in Attachment 3.

3. Recommendation: It is recommended that approval be granted to increase the prices for EDR meals and special functions as set forth in Attachment 3.

[Redacted Signature Box]

James H. McDonald

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Attachments

APPROVED: DON WORTMAN
Deputy Director for Administration

DISAPPROVED: _____
Deputy Director for Administration

DATE: 4 MAY 1979

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Distribution:

Original - Return to OL (LSD Official)
2 - DDA w/atts

ADJUSTMENTS TO EQUALIZE CAFETERIA PRICES

<u>Item</u>	<u>Cafeteria Price</u>	<u>Present EDR Prices</u>	<u>Recommended EDR Price</u>
Soup	\$.55	\$.50	---\$.60
Milk	.28	.25	.30
Coffee (Cup)	.23 (one cup)	.25 (no limit)	.30
Coffee (Carafe)	1.38	1.20	1.40
Tea	.23	.25	.30
Dessert	.50	.40	.50
Juice	.34	.25	.35
Salad	.45	.30	.45
Vegetable	.30	.30	.35

COST OF ENTREE PER POUND

<u>Item</u>	<u>February 1978</u>	<u>February 1979</u>	<u>Percent Increase or (Decrease)</u>
Bacon	1.55	1.69	9.0
Canned Ham	2.25	2.45	8.9
Cornish Hens	1.30	1.55	19.2
Delmonico Steak	2.98	3.49	17.1
Filet Steak	5.36	5.98	11.6
Flank Steak	2.39	2.98	24.7
N.Y. Strip Steak	3.09	3.49	12.9
Steamship Round	1.35	1.68	24.4
Half Smoke	1.33	1.59	19.6
Hot Dogs	.89	1.39	56.6
Knockwurst	1.55	1.79	15.5
Knuckles	1.69	1.99	17.8
Lamb Chops	4.36	4.80	10.1
Liver	1.19	1.49	25.2
Pastrami	1.79	2.19	22.4
Salami	2.49	2.69	8.0
Turkey Breast	1.25	1.48	18.4
Chicken Breast	1.25	1.10	(12.0)
Chicken Drumsticks	.95	.95	0

<u>Item</u>	<u>February 1978</u>	<u>February 1979</u>	<u>Percent Increase or (Decrease)</u>
Veal	1.39	1.69	24.0
Crabmeat	4.45	5.50	11.1
Haddock	1.65	1.75	6.1
Pickled Herring	9.00	12.50	38.9
Scallops	2.65	3.25	22.6
Braken Shrimp	3.65	4.15	13.7
Grunn Shrimp	4.00	5.95	48.8
Lobstermeat	4.85	7.25	49.5
AVERAGE INCREASE			19.4

RECOMMENDED PRICE INCREASES

Executive Dining Room

<u>Item</u>	<u>Present</u>	<u>Recommended</u>
Regular Lunch*	2.60	3.00
Delmonico Steak*	3.45	4.00
N.Y. Strip Steak*	3.45	4.00
Filet Sandwich	3.15	3.65
Light Lunch	1.65	1.75
Jumbo Salad	1.45	1.75
Low Cal	1.45	1.65
Steak Special*	2.00	2.25

Director's Dining Room **

<u>Item</u>	<u>Present</u>	<u>Recommended</u>
Chicken Breast	3.45	3.95
Cornish Hen	3.45	3.95
Lamb Chops	4.15	4.80
Veal Chops	4.15	4.80
Delmonico Steak	4.15	4.80
Veal Cordon Bleu	4.50	5.15
Filet Mignon	5.15	5.95
Chicken Cordon Bleu	3.75	4.30

* Includes salad or vegetable, juice, coffee or tea

** All meals include juice or soup, salad, vegetable, dessert and beverage